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August 20, 2008

Via ECF and Federal Express

Honorable Garrett E. Brown, Jr., U.S.D.J.
United States District Court
Clarkson S. Fisher Federal Building
and U.S. Courthouse
402 East State Street
Trenton, New Jersey 08608

Re: *Connetics v. Agis*, Case No. 2:05-CV-5038 (GEB)

Dear Judge Brown:

My firm, along with Rakoczy Molino Mazzochi Siwik LLP, represents Defendant Agis Industries (1983) Ltd. ("Agis") in the above matter.

Enclosed please find a Stipulation of Dismissal and Order that has been executed by the parties in accordance with the terms of the settlement reached between the parties. If the enclosed stipulation meets with Your Honor's approval, we request that it be filed.

Thank you for Your Honor's continued attention to and consideration of this matter.

Respectfully submitted,

CARELLA, BYRNE, BAIN, GILFILLAN,
CECCHI, STEWART & OLFSTEIN

MELISSA E. FLAX

MEF

cc: Liza M. Walsh, Esq. (w/enclosures) (via email and hand delivery)
Andrew Berdon, Esq. (w/enclosures) (via email and federal express)
Christine J. Siwik, Esq. (w/enclosures) (via email and federal express)

STIPULATION OF DISMISSAL AND ORDER

Connetics Corporation and)
Connetics Australia Pty. Limited)
)
Plaintiffs/Counterclaim-Defendants)
)
v.) C.A. No. 05-5038 (GEB)
)
Agis Industries (1983) Limited)
)
Defendant/Counterclaim-Plaintiff)
)

WHEREAS, plaintiffs/counterclaim-defendants Connetics Corporation and Stiefel Australia Research Pty. Limited, formerly known as Connetics Australia Pty. Limited (together, "Stiefel") own U.S. Patent No. 6,126,920 (the "'920 Patent");

WHEREAS, defendant/counterclaim-plaintiff Perrigo Israel Pharmaceuticals, Ltd., formerly known as Agis Industries (1983) Limited ("Perrigo") has submitted to the U.S. Food and Drug Administration Abbreviated New Drug Application No. 77-763 ("Perrigo ANDA") for approval to market and sell generic clobetasol propionate 0.05% foam products ("Perrigo Products");

WHEREAS, Perrigo and Stiefel are parties to litigation relating to the Perrigo ANDA and the '920 Patent; and

WHEREAS, Perrigo and Stiefel have entered into a Settlement and License Agreement, dated as of August 14, 2008 ("Settlement Agreement"), pursuant to which the parties have resolved this action and Stiefel has granted to Perrigo a non-exclusive license under the '920 Patent in the United States.

NOW, THEREFORE, Perrigo and Stiefel stipulate that:

1. Perrigo, on behalf of itself and its affiliates and subsidiaries, admits that the Perrigo Products infringe the '920 Patent.

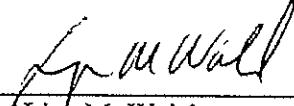
2. Perrigo, on behalf of itself and its affiliates and subsidiaries, admits that the '920 Patent is valid.
3. Perrigo, on behalf of itself and its affiliates and subsidiaries, admits that the '920 Patent is enforceable.
4. All claims and counterclaims in this action are dismissed with prejudice.
5. Each party shall bear its own costs, expenses and attorneys' fees in connection with this action.
6. The parties waive any right of appeal from this Stipulation and Order.
7. This Court hereby maintains jurisdiction to enforce the terms and obligations of the parties' Settlement Agreement.
8. This Stipulation and Order, and the admissions herein, applies only to Perrigo and the Perrigo Products (as defined in the Settlement Agreement incorporated by reference herein) that are the subject of Perrigo's ANDA, and does not apply to or otherwise affect any products or ANDAs filed by, or litigation involving, any third parties.

IT IS SO ORDERED, this _____ day of _____, 2008.

Honorable Garrett E. Brown, Jr.
United States District Judge

Dated: August 18, 2008

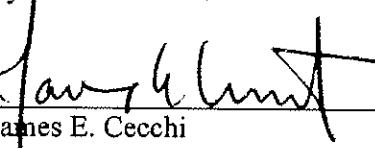
CONNELL FOLEY LLP
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Dated: August 20, 2008

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